

85th Legislative Session – 2010

Committee: House Education

Monday, March 01, 2010

P - Present
E - Excused
A - Absent

Roll Call

P Bolin
P Brunner
P Elliott
P Fargen
P Hamiel
P Hunt
P Killer
P Olson (Ryan)
P Schlekeway
P Sly
P Sorenson
P Thompson
P Vanneman
P Van Gerpen, Vice-Chair
P McLaughlin, Chair

OTHERS PRESENT: See Original Minutes

The meeting was called to order by Representative Ed McLaughlin, Chairman.

MOTION: TO APPROVE THE MINUTES OF FEBRUARY 24, 2010

Moved by: Brunner
Second by: Elliott
Action: Prevailed by voice vote.

SB 124: equate, within certain limits, the annual percentage increase in per student funding for general education and for special education to the projected change in state general fund revenue, and to require the Legislature to estimate general fund revenues for the current fiscal year and the next fiscal year.

Presented by: Senator Dave Knudson

Proponents: Jim Hutmacher, Mid Size Schools
Jim Hutmacher, SD Coalition of Schools
Bob O'Connell, Sioux Falls Area Chamber of Commerce
Terry Nemec, Self, Sioux Falls
Kent Alberty, Self, Sioux Falls
Wayne Lueders, Associated School Boards of SD
Sandy Arseneault, SD Education Assoc.
John Pedersen, School Administrator of South Dakota

Opponents: Jim Terwilliger, Bureau of Finance and Management (Handouts: #1)
Dianna Miller, Large School Group

MOTION: AMEND SB 124

124cf

On the Senate Education Committee engrossed bill, delete everything after the enacting clause and insert:

"

Section 1. That § 13-13-10.1 be amended to read as follows:

13-13-10.1. Terms used in this chapter mean:

- (1) "Average daily membership," the average number of resident and nonresident kindergarten through twelfth grade pupils enrolled in all schools operated by the school district during the previous regular school year, minus average number of pupils for whom the district receives tuition, except pupils described in subdivision (1A) and pupils for whom tuition is being paid pursuant to § 13-28-42.1 and plus the average number of pupils for whom the district pays tuition;
- (1A) Nonresident students who are in the care and custody of the Department of Social Services, the Unified Judicial System, the Department of Corrections, or other state agencies and are attending a public school may be included in the average daily membership of the receiving district when enrolled in the receiving district. When counting a student who meets these criteria in its general enrollment average daily membership, the receiving district may begin the enrollment on the first day of attendance. The district of residence prior to the custodial transfer may not include students who meet these criteria in its general enrollment average daily membership after the student ceases to attend school in the resident district;

- (2) "Adjusted average daily membership," calculated as follows:
- (a) For districts with an average daily membership of two hundred or less, multiply 1.2 times the average daily membership;
 - (b) For districts with an average daily membership of less than six hundred, but greater than two hundred, raise the average daily membership to the 0.8293 power and multiply the result times 2.98;
 - (c) For districts with an average daily membership of six hundred or more, multiply 1.0 times their average daily membership;
- (2A) "Fall enrollment," the number of kindergarten through twelfth grade students enrolled in all schools operated by the school district on the last Friday of September of the previous school year minus the number of students for whom the district receives tuition, except nonresident students who are in the care and custody of a state agency and are attending a public school and students for whom tuition is being paid pursuant to § 13-28-42.1, plus the number of students for whom the district pays tuition. When computing state aid to education for a school district under the foundation program pursuant to § 13-13-73, the secretary of the Department of Education shall use either the school district's fall enrollment or the average of the school district's fall enrollment and the school district's fall enrollment from the prior year, whichever is higher. However, if a school district qualifies to benefit from both the averaging permitted in this subdivision and the one-time payment provided in § 13-13-80 in the same fiscal year, the school district may not benefit from both, but only from the one that provides the most additional funding to the district;
- (2B) "Current fall enrollment," the number of kindergarten through twelfth grade students enrolled in all schools operated by the school district on the last Friday of September of the current school year minus the number of students for whom the district receives tuition except nonresident students who are in the care and custody of a state agency and are attending a public school and students for whom tuition is being paid pursuant to § 13-28-42.1, plus the number of students for whom the district pays tuition;
- (2C) "Small school adjustment," calculated as follows:
- (a) For districts with a fall enrollment of two hundred or less, multiply 0.2 times \$4,237.72;
 - (b) For districts with a fall enrollment of greater than two hundred, but less than six hundred, multiply the fall enrollment times negative 0.0005; add 0.3 to that result; and multiply the sum obtained times \$4,237.72;

- (3) "Index factor," is the annual percentage change in the consumer price index for urban wage earners and clerical workers as computed by the Bureau of Labor Statistics of the United States Department of Labor for the year before the year immediately preceding the year of adjustment or ~~three~~ two percent, whichever is ~~less~~ greater; however, the index factor may never exceed five percent;
- (4) "Per student allocation," for school fiscal year ~~2009 is \$4,664.66~~ 2011 is \$4,804.60. Each school fiscal year thereafter, the per student allocation is the previous fiscal year's per student allocation increased by the index factor;
- (5) "Local need," is the sum of:
 - (a) The per student allocation multiplied by the fall enrollment; and
 - (b) The small school adjustment, if applicable, multiplied by the fall enrollment; and
 - (c) The payment distributed pursuant to § 13-13-80, if applicable;
- (6) "Local effort," the amount of ad valorem taxes generated in a school fiscal year by applying the levies established pursuant to § 10-12-42;
- (7) "General fund balance," the unreserved fund balance of the general fund, less general fund exclusions plus, beginning with transfers made in fiscal year 2001, any transfers out of the general fund for the previous school fiscal year;
- (8) "General fund balance percentage," is a school district's general fund balance divided by the school district's total general fund expenditures for the previous school fiscal year, the quotient expressed as a percent;
- (9) "General fund base percentage," is the lesser of:
 - (a) The general fund balance percentage as of June 30, 2000; or
 - (b) The maximum allowable percentage for that particular fiscal year as stated in this subsection.

For fiscal year 2008, the maximum allowable percentage is one hundred percent; for fiscal year 2009, eighty percent; for fiscal year 2010, sixty percent; for fiscal year 2011, forty percent; for fiscal year 2012 and subsequent fiscal years, twenty-five percent. However, the general fund base percentage can never be less than twenty-five percent;

- (10) "Allowable general fund balance," the general fund base percentage multiplied by the

district's general fund expenditures in the previous school fiscal year;

- (11) "General fund exclusions," revenue a school district has received from the imposition of the excess tax levy pursuant to § 10-12-43; revenue a school district has received from gifts, contributions, grants, or donations; revenue a school district has received under the provisions of §§ 13-6-92 to 13-6-96, inclusive; revenue a school district has received as compensation for being a sparse school district under the terms of §§ 13-13-78 and 13-13-79; any revenue a school district has received under the provisions of the American Recovery and Reinvestment Act of 2009 (P.L. 111-5); and any revenue in the general fund set aside for a noninsurable judgment."

Moved by: Brunner
Second by: Vanneman
Action: Prevailed by roll call vote. (8-6-1-0)

Voting Yes: Brunner, Hamiel, Hunt, Olson (Ryan), Sly, Vanneman, Van Gerpen, McLaughlin

Voting No: Elliott, Fargen, Killer, Schlekeway, Sorenson, Thompson

Excused: Bolin

MOTION: AMEND SB 124

124cg

On the previously adopted amendment (124cf), in section 1, subdivision 13-13-10.1 (4), delete \$4804.60 and insert \$4862.26.

Moved by: Fargen
Second by: Killer
Action: Failed by roll call vote. (7-7-1-0)

Voting Yes: Elliott, Fargen, Killer, Schlekeway, Sorenson, Thompson, Van Gerpen

Voting No: Brunner, Hamiel, Hunt, Olson (Ryan), Sly, Vanneman, McLaughlin

Excused: Bolin

MOTION: DO PASS SB 124 AS AMENDED

Moved by: Brunner
Second by: Olson (Ryan)
Action: Prevailed by roll call vote. (10-5-0-0)

Voting Yes: Bolin, Brunner, Hamiel, Hunt, Olson (Ryan), Schlekeway, Sly, Vanneman, Van Gerpen, McLaughlin

Voting No: Elliott, Fargen, Killer, Sorenson, Thompson

MOTION: AMEND TITLE OF SB 124

124ctb

On page 1, line 1, of the Senate Education Committee engrossed bill, delete everything after "Act to" and insert "establish the per student allocation for FY 2011, and to revise the index factor in the state aid to education formula."

On page 1, delete lines 2 to 4, inclusive.

Moved by: Brunner
Second by: Olson (Ryan)
Action: Prevailed by voice vote.

THE CHAIR DEFERRED SB 105 UNTIL WEDNESDAY, MARCH 3, 2010

SB 191: establish the South Dakota Early Learning Council, and to establish community planning processes and eligibility criteria for entities seeking state funding to provide voluntary prekindergarten programs to children from low-income families.

Presented by: Senator Thomas Dempster (Handouts: #4)
Proponents: Deb Bowman, Secretary of Social Services
Deb Barnett, Department of Education
Dr. Gera Jacobs, Self, Vermillion
Buddy Seiner, SD Head Start, Pierre
Sandy Jungers, Self, Watertown
Greg Boris, South Dakota Voices for Children
Kena Brown, self, Deadwood
Randy Stewart, Self, Sioux Falls
Deb Fischer Clemens, Avera Health
Sandy Arseneault, SD Education Assoc.

Opponents: John Pedersen, School Administrator of South Dakota
Wayne Lueders, Alliance for Education
Cindy Flakoll, Concerned Women For America
Chris Hupke, SD Family Policy Council

THE CHAIR DEFERRED SB 191 UNTIL WEDNESDAY, MARCH 3, 2010

MOTION: ADJOURN

Moved by: Sly
Second by: Hamiel
Action: Prevailed by voice vote.

Jeanette Black
Committee Secretary

Ed McLaughlin, Chair